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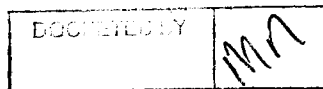
BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

Arizona Corporation Commission

DOCKETED

SEP 30 2008



IN THE MATTER OF THE APPLICATION
OF SANTA CRUZ WATER COMPANY
AND PALO VERDE UTILITIES COMPANY
TO AMEND DECISION NO. 68498
PURSUANT TO A.R.S. § 40-252

DOCKET NOS. W-03576A-07-0305
SW-03575A-07-0305

DECISION NO. 70533

ORDER

Open Meeting
September 23 and 24, 2008
Phoenix, Arizona

BY THE COMMISSION:

On February 23, 2006, the Arizona Corporation Commission ("Commission") issued Decision No. 68498 which granted Santa Cruz Water Company ("Santa Cruz") and Palo Verde Utilities Company ("Palo Verde") (collectively, "Global Utilities")¹ an Order Preliminary. Among the conditions required to be fulfilled by the Order Preliminary, was the filing by Santa Cruz of a copy of the Arizona Department of Environmental Quality ("ADEQ") Approval of Construction ("AOC") for the proposed water line interconnection by December 31, 2006, and the filing by Palo Verde of a copy of the ADEQ AOC for the sewer line interconnection by December 31, 2006. The Order also required the dissolution of the 387 Domestic Water Improvement District and the 387 Wastewater Improvement District. Further, the Order Preliminary was to be deemed null and void if the Global Utilities failed to comply in a timely manner.

¹ A name change for the Companies occurred pursuant to Decision No. 69920 dated September 27, 2007, in which the Commission granted the transfer of assets of Palo Verde to Global Water-Palo Verde Utilities Company and Santa Cruz to Global Water-Santa Cruz Water Company.

1 On March 20, 2007, the Commission's Utilities Division Staff ("Staff") filed a
2 memorandum requesting that the above-referenced dockets be administratively closed due to Santa
3 Cruz and Palo Verde's failure to timely comply with Decision No. 68498.

4 On May 7, 2007, Staff issued a memorandum to administratively close the above-captioned
5 dockets.

6 On May 8, 2007, the Commission's Docket control issued Administrative Closure
7 No. 69493, closing the dockets.

8 On May 21, 2007, Global Utilities filed an Application to Amend Decision No. 68498.

9 On June 12, 2007, Global Utilities filed notice of the ADEQ Compliance Status Report
10 demonstrating that Santa Cruz was delivering water that meets ADEQ requirements.

11 On June 15, 2007, the Commission decided to reopen the matter pursuant to A.R.S. § 40-
12 252, to allow a hearing on Global Utilities' Motion to Amend Decision No. 68498.

13 On September 25, 2007, a hearing was held at the Commission and the matter was taken
14 under advisement.

15 On January 15, 2008, the matter was brought before the Commission at the Open Meeting.

16 On January 23, 2008, the Commission issued Decision No. 70133 which reinstated the
17 Order Preliminary granted in Decision No. 68498. The Commission amended Decision No. 68498
18 deleting the requirement that Santa Cruz file a copy of the ADEQ AOC for the proposed water line
19 interconnection by December 31, 2006 because ADEQ does not require an AOC for projects with
20 total construction costs of less than \$50,000. On May 8, 2007, Palo Verde received the ADEQ
21 AOC for the sewer line interconnection between the 387 District and Palo Verde therefore; Palo
22 Verde has satisfied this requirement.

23 The Commission further ordered that upon the filing of the remaining compliance
24 requirement to dissolve the 387 Domestic Water Improvement District, Global Water-Santa Cruz
25 Water Company and Global Water – Palo Verde Utilities Company file a motion in this docket for
26 the issuance of a Certificate of Convenience and Necessity authorizing it to construct, maintain
27 and operate facilities to provide water utility service and wastewater utility service to the public in
28 the area more fully described in Exhibit A.

1 On August 7, 2008, Global Utilities filed a Motion for the Issuance of Certificate of
2 Convenience and Necessity. Attached to its Motion, were resolutions from the Board of Directors²
3 of the 387 Water Improvement District and the 387 Wastewater Improvement District, which
4 resolved that the Districts be automatically and immediately dissolved upon issuance by the
5 Commission of the order granting the Certificate of Convenience and Necessity.

6 FINDINGS OF FACT

7 1. In Decision No. 68498, dated February 23, 2006, the Commission issued an Order
8 Preliminary approving the application of Santa Cruz and Palo Verde for an extension of its
9 existing Certificate of Convenience and Necessity.

10 2. As stated in Decision No. 68498, dated February 23, 2006, Santa Cruz was ordered
11 to comply with the following conditions:

- 12 a. Santa Cruz charge its authorized rates and charges in the extension area.
- 13 b. Santa Cruz file with Docket Control a copy of the ADEQ AOC for the proposed
14 water line interconnection by December 31, 2006. (This requirement was amended
15 by Decision No. 70133 on January 23, 2008, deleting this compliance item.)
- 16 c. Santa Cruz file with Docket Control a copy of the amendment to its existing
17 Designation of Assured Water Supply stating that there is adequate water supply
18 within 365 days of the effective date of the Decision. (This requirement was
19 fulfilled by the Company filing the required documentation on May 18, 2006.)
- 20 d. Santa Cruz file with Docket Control a copy of its ADEQ ATC for its arsenic
21 remediation plan within 90 days of the Decision. (This requirement was fulfilled by
22 the Company filing the required documentation on May 18, 2006.)
- 23 e. Santa Cruz file with Docket Control a copy of the City of Maricopa franchise
24 agreement for the extension area within 365 days of the Decision. (This
25 requirement was fulfilled by the Company filing the required documentation on
26 February 22, 2007.)

27 3. As stated in Decision No. 68498, dated February 23, 2006, Palo Verde was ordered
28 to comply with the following conditions:

- a. Palo Verde charge its authorized rates and charges in the extension area.

² Upon creation of the 387 Domestic Water Improvement District, the Board of Supervisors established a Board of Directors for the District. This Board consisted of three members of the Pinal County Board of Supervisors. The Board of Directors issued the resolution to dissolve the 387 Domestic Water Improvement District.

- b. Palo Verde file with Docket Control a copy of the ADEQ AOC for the sewer line interconnection by December 31, 2006. (This requirement was amended by Decision No. 70133 on January 23, 2008, deleting this compliance item.)
- c. Palo Verde file with Docket Control documentation from the Central Arizona Association of Governments ("CAAG") stating that it has Section 208 authority to operate within the 387 District's boundaries. (This requirement was fulfilled by the Company filing the required documentation on May 18, 2006.)
- d. Palo Verde file with Docket Control a copy of the City of Maricopa franchise agreement for the extension area within 365 days of the Decision. (This requirement was fulfilled by the Company filing the required documentation on February 22, 2007.)

4. The Commission further ordered that prior to the issuance of the Certificates in this matter the 387 Districts shall be dissolved by the Pinal County Board of Supervisors. On August 7, 2008, Global Water – Santa Cruz Water Company and Global Water – Palo Verde Utilities Company filed a Resolution by the Board of Directors of the 387 Domestic Water Improvement District dissolving the water district as well as a Resolution by the Board of Directors of the 387 Wastewater Improvement District dissolving the wastewater district. Under both resolutions, the dissolution of the districts will take effect automatically and immediately upon the Commission's issuance of the CC&N.

5. On August 7, 2008, the Global Utilities filed a motion for the issuance of the Certificates of Convenience and Necessity for both Santa Cruz Water Company and Palo Verde Utilities Company pursuant to Decision No. 68498 (February 23, 2006) and Decision No. 70133 (January 23, 2008).

6. Based on its analysis, Staff has concluded that the Global Utilities have complied with all the requirements set forth in the Order Preliminary. Staff, therefore, recommends that the Commission issue an Order approving the extension of the CC&N to provide water and wastewater service, respectively in portions of Pinal County, Arizona.

7. Staff's recommendations are reasonable and shall be adopted.

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CONCLUSIONS OF LAW

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2 1. Global Water-Palo Verde and Global Water-Santa Cruz are public service
3 corporations within the meaning of Article XV of the Arizona Constitution and A.R.S. §§40-281,
4 40-282 and 40-285.

5 2. The Commission has jurisdiction over Global Water – Santa Cruz and Global Water
6 – Palo Verde and over the subject matter of the Application.

7 3. In accordance with the Order Preliminary issued pursuant to A.R.S. § 40-282(D),
8 Global Water – Santa Cruz and Global Water – Palo Verde have complied with all conditions set
9 forth therein.

10 4. Pursuant to A.R.S. § 40-282(D), it is appropriate to issue a decision approving the
11 CC&N extension request as discussed herein.

ORDER

12
13 IT IS THEREFORE ORDERED that Global Water-Santa Cruz Water Company and
14 Global Water-Palo Verde Utilities Company application for an extension of their respective
15 Certificates of Convenience and Necessity to provide water and wastewater service, respectively
16 in portions of Pinal County, in the area more fully described in Exhibit A, be and hereby are
17 approved.

18 IT IS FURTHER ORDERED that Global Water-Santa Cruz Water Company and Global
19 Water-Palo Verde Utilities Company shall charge their respective water and wastewater customers
20 in the area described in Exhibit A their existing rates and charges in the extension area until further
21 Order by the Commission.

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1 IT IS FURTHER ORDERED that Global Water-Santa Cruz Water Company and Global
2 Water-Palo Verde Utilities Company shall file, as part of their annual reports, an affidavit with the
3 Utilities Division attesting that they are current on paying their property taxes in Arizona.


4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5
6 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

7
8 
9 CHAIRMAN


COMMISSIONER

10
11
12 COMMISSIONER


COMMISSIONER

COMMISSIONER

13 IN WITNESS WHEREOF, I, BRIAN MCNEIL, Executive
14 Director of the Arizona Corporation Commission, have
15 hereunto, set my hand and caused the official seal of this
16 Commission to be affixed at the Capitol, in the City of
17 Phoenix, this 30th day of September, 2008.

18 
19 BRIAN MCNEIL
EXECUTIVE DIRECTOR

20 DISSENT: _____

21
22
23 DISSENT: _____

24 EGJ:KDB:lhmr/RM

1 SERVICE LIST FOR: Santa Cruz Water Company and Palo Verde Utilities Company
2 DOCKET NOS. W-03576A-07-0305 and SW-03575A-07-0305

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23 Phoenix, Arizona 85007

24 Ms. Janice M. Alward
25 Chief Counsel, Legal Division
26 Arizona Corporation Commission
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EXHIBIT A

**LEGAL DESCRIPTION FOR 387 DISTRICT
TO BE INCLUDED IN THE CC&N FOR SANTA CRUZ WATER COMPANY, L.L.C. &
PALO VERDE UTILITIES COMPANY, L.L.C.**

THE DESCRIPTION OF THE FOLLOWING LANDS ARE TO BE INCLUDED:

TOWNSHIP 4 SOUTH, RANGE 3 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

THAT PORTION OF SECTION 21 DESCRIBED AS FOLLOWS: THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER LYING SOUTHERLY OF THE SOUTHERLY RIGHT-OF-WAY OF THE UNION PACIFIC RAILROAD, EXCEPT THE FOLLOWING DESCRIBED PARCEL: COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 21; THENCE NORTH 89°50' WEST ALONG THE SOUTH LINE OF SAID SECTION 21 A DISTANCE OF 1930.00 FEET; THENCE NORTH 00°10' EAST A DISTANCE OF 180.87 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00° 10' EAST A DISTANCE OF 316.00 FEET; THENCE NORTH 89°50' WEST A DISTANCE OF 316.00 FEET; THENCE SOUTH 00°10' WEST A DISTANCE OF 316.00 FEET; THENCE SOUTH 89°50' EAST A DISTANCE OF 316.00 FEET TO THE TRUE POINT OF BEGINNING.

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 25.
THE SOUTHEAST QUARTER OF SECTION 25.

THE WEST HALF OF THE WEST HALF OF SECTION 26.

THAT PORTION OF SECTION 27 LYING NORTHERLY OF THE NORTHERLY RIGHT-OF-WAY OF THE UNION PACIFIC RAILROAD AND EASTERLY OF THE WEST HALF OF THE WEST HALF OF SAID SECTION 27.

THAT PORTION OF SECTION 27 DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID SECTION 27; THENCE NORTH 89°48'40" WEST ALONG THE SOUTH LINE OF SAID SECTION 27 A DISTANCE OF 555.92 FEET; THENCE NORTH 24°41' 11" WEST A DISTANCE OF 155.02 FEET; THENCE NORTH 00°44'45" WEST A DISTANCE OF 428.29 FEET; THENCE NORTH 20°07'00" EAST A DISTANCE OF 421.17 FEET, MORE OR LESS, TO THE SOUTHERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD; THENCE SOUTH 53°48'48" EAST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE A DISTANCE OF 597.88 FEET, MORE OR LESS, TO THE INTERSECTION OF SAID SOUTHERLY RIGHT-OF-WAY LINE AND THE EAST LINE OF SAID SECTION 27; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID SECTION 27 A DISTANCE OF 969.05 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

THE WESTERLY ONE-HALF OF SECTION 27 LYING SOUTHERLY OF THE SOUTHERLY RIGHT-OF-WAY OF THE UNION PACIFIC RAILROAD.

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ALL OF SECTION 28 EXCEPT THE FOLLOWING: COMMENCING AT THE NORTH QUARTER CORNER OF SAID SECTION 28; THENCE NORTH $89^{\circ}48'14''$ EAST ALONG THE NORTH LINE OF SAID SECTION 28 A DISTANCE OF 280.12 FEET TO THE TRUE POINT OF BEGINNING, SAID TRUE POINT OF BEGINNING BEING DESCRIBED AS BEING THE INTERSECTION OF THE EAST LINE OF MARICOPA MEADOWS PARCEL 16 AND THE EAST-WEST CENTERLINE OF MC DAVID ROAD; THENCE SOUTH $00^{\circ}09'29''$ EAST A DISTANCE OF 1314.36 FEET ALONG THE EAST LINE OF MARICOPA MEADOWS PARCELS 16 AND 17 TO THE SOUTHEAST CORNER OF SAID PARCEL 17; THENCE NORTH $89^{\circ}48'25''$ EAST ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28 A DISTANCE OF 192.37 FEET; THENCE SOUTH $02^{\circ}00'07''$ WEST A DISTANCE OF 1288.07 FEET; THENCE NORTH $89^{\circ}38'01''$ EAST A DISTANCE OF 397.78 FEET; THENCE NORTH $00^{\circ}21'59''$ WEST A DISTANCE OF 360.00 FEET; THENCE NORTH $89^{\circ}38'01''$ EAST A DISTANCE OF 599.33 FEET; THENCE SOUTH $00^{\circ}09'24''$ EAST A DISTANCE OF 385.62 FEET; THENCE NORTH $89^{\circ}09'14''$ EAST A DISTANCE OF 514.33 FEET; THENCE SOUTH $00^{\circ}45'29''$ EAST A DISTANCE OF 75.69 FEET; THENCE NORTH $89^{\circ}48'29''$ EAST A DISTANCE OF 445.60 FEET; THENCE NORTH $79^{\circ}48'31''$ EAST A DISTANCE OF 50.00 FEET TO A POINT ON A CURVE CONCAVE SOUTHWESTERLY, THE CENTER OF WHICH BEARS NORTH $79^{\circ}48'31''$ EAST, HAVING A RADIUS OF 1432.39 FEET, THROUGH A CENTRAL ANGLE OF $10^{\circ}27'01''$, AN ARC LENGTH OF 261.26 FEET; THENCE NORTH $00^{\circ}15'32''$ EAST A DISTANCE OF 1230.37 FEET TO A POINT OF CURVATURE TO THE RIGHT, THE CENTER OF WHICH BEARS SOUTH $89^{\circ}48'29''$ EAST, HAVING A RADIUS OF 716.20 FEET, THROUGH A CENTRAL ANGLE OF $35^{\circ}23'02''$, AN ARC LENGTH OF 442.30 FEET; THENCE NORTH $35^{\circ}38'35''$ EAST A DISTANCE OF 97.27 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF THE UNION PACIFIC RAILROAD; THENCE NORTH $53^{\circ}49'25''$ WEST A DISTANCE OF 1160 FEET, MORE OR LESS, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE INTERSECTION OF SAID SOUTHERLY RIGHT-OF-WAY LINE AND THE NORTH LINE OF SAID SECTION 28; THENCE SOUTH $89^{\circ}48'14''$ WEST A DISTANCE OF 1300 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 33, TOGETHER WITH THE NORTHEAST QUARTER OF SAID SECTION 33 EXCEPT ANY PORTION THEREOF WHICH MAY LIE WITHIN THE AK-CHIN INDIAN COMMUNITY;

THE SOUTHWEST QUARTER OF SECTION 34.

TOWNSHIP 5 SOUTH, RANGE 3 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

ALL OF SECTION 2.

ALL OF SECTION 3; EXCEPT THE NORTH 210.00 FEET OF THE EAST 210.00 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER THEREOF; AND EXCEPT THE NORTH 220.00 FEET OF THE EAST 636.00 FEET OF THE WEST 264.00 FEET OF SAID NORTHEAST QUARTER OF THE NORTHWEST QUARTER.

ALL OF SECTION 11.

THE WEST ONE-HALF OF SECTION 12; EXCEPT THE EAST 229.58 FEET OF THE SOUTH 951.32 FEET.

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TOWNSHIP 4 SOUTH, RANGE 4 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

THE SOUTH HALF OF SECTION 21.

ALL OF SECTION 28.

TOWNSHIP 5 SOUTH, RANGE 4 EAST, G&SRB&M, PINAL COUNTY, ARIZONA

THE NORTHEAST QUARTER OF SECTION 3.

END